



**Asia-Pacific
Economic Cooperation**

Independent Assessment of the APEC Tourism Working Group

**Report to SOM Steering Committee on Economic
and Technical Cooperation**

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Abbreviations

ABAC - APEC Business Advisory Council
ADB - Asian Development Bank
AICST - APEC Independent Centre for Sustainable Tourism
APEC - Asia-Pacific Economic Cooperation
ASF - APEC Support Fund
BMC - Budget and Management Committee
BMG - Business Mobility Group
ECOTECH - Economic and Technical Cooperation
IADB - Inter-American Development Bank
IATA – International Aviation and Transport Association
IFC – International Finance Corporation
OECD - Organisation for Economic Co-operation and Development
PATA - Pacific Asia Travel Association
PSU – APEC Policy Support Unit
SCE - SOM Steering Committee on ECOTECH
SOM - Senior Official Meeting
TFI – Travel Facilitation Initiative
TILF - Trade & Investment Liberalisation & Facilitation
TWG - Tourism Working Group
TPTWG – Transportation Working Group
UNWTO - United Nations World Tourism Organisation
WB - World Bank
WTTC - World Travel & Tourism Council

SCE/1A/2014 - Independent Assessment of the Tourism Working Group (TWG)

1 Executive Summary

Introduction

The APEC Tourism Working Group (TWG) was established in 1991 in recognition of the importance of travel and tourism and its importance to economic growth in the Asia-Pacific region. Travel and tourism has been shown to be a strong economic driver of growth over the following 23 years. It has been shown to be resilient and a major contributor to the region through employment and investment. With the increasing importance of the service sector to the APEC economy and the demonstrated growth of travel and tourism in the region, TWG continues to be a productive vehicle for the coordinated development of policies and guidance, and to exercise leadership for the tourism sector in the region.

This independent assessment of the TWG is intended to strengthen the work processes of the group and ensure that it is responsive to APEC current priorities and contributes to the achievement of APEC's overall vision and objectives.

Key Findings

The assessment has reviewed the last four years of activity of TWG and identified three areas where there is an opportunity to strengthen the processes and contribution that TWG can make to the APEC community.

Increase the focus of the strategic plan and work program

Since 2000 when APEC Tourism Ministers agreed to the Seoul Declaration that sets out the Tourism Charter, TWG has had an active program of meetings, projects and workshops to deliver on its plans. The strategic planning process, established and implemented in 2011 has provided a valuable first step in focussing the work of the TWG. Further refinement is required in the priority setting phase to ensure that the priorities are those of key importance. With the limited resources of the TWG there needs to be a focussed and concrete strategic plan. In addition, as ECOTECH proposes to revise its goals by 2015, it will be timely for TWG to reassess the Tourism Charter as its guiding document.

While the Charter's four goals are well supported by member economies, there is a need to review the actions required to deliver on the goals and bring them up to date. This includes recognising the achievements in removing impediments, increasing mobility, improving sustainability and enhancing the recognition of tourism as a vehicle for economic and social development that has been achieved in the last fourteen years. There are also opportunities for TWG to prepare information on the role of tourism in the APEC economy that would be of value to a wider audience and ensure that there is a greater recognition of the growth opportunities presented by the sector in the region.

Enhance engagement with member economies.

While the TWG has continued to have well attended meetings twice yearly and strong support from member economies at the two yearly ministerial meetings, there are concerns about the engagement of economies on an ongoing basis. Intersessional engagement could be enhanced to ensure that the meetings are the most productive use of the time available. Tourism agencies in member economies do not have large resources, either in staffing or finances, and so mechanisms to support the ongoing contribution from this limited pool of capability need to be developed. In addition, refinements to the meeting processes and document management would enable greater engagement by some economies. In the longer term, increased engagement and commitment to TWG will be necessary to support priority projects as funding for the work program becomes more challenging.

Maximise the opportunities for collaboration with stakeholders

Engagement with other organisations has been ongoing by TWG, with invitations extended to key international tourism organisations. There is regular attendance by AICST, PATA and WTTC. Other international agencies such as OECD, IATA and UNWTO have also attended meetings during the last four years. Further development of these relationships could be achieved by closer cooperation on projects and greater harmonisation in the strategic planning process. With a clear strategic plan and a longer term work plan, the TWG would be in a position to work closely with organisations with a high level of capability in research and information that would complement the policy review and development activities of TWG.

Key Recommendations

The five key recommendations that SCE are invited to consider are:

- 1 That in developing the Strategic Plan for 2016 – 2019 the TWG carefully assess the priorities as outlined by the APEC ECOTECH, Leaders statements and Ministerial directives and establish criteria to prioritise the actions to be undertaken in the implementation schedule.*
- 2 That TWG comprehensively review the Tourism Charter and in particular the actions under the four goals, by 2016 with a view to ensuring that the TWG mandate and its strategic plan align with APEC ECOTECH priorities.*
- 3 That the TWG Lead Shepherd in conjunction with the Program Director, restructure the TWG meeting agendas so there is a clear distinction between agenda items that are for discussion and decision, and those that are for information only.*

For those action items, to circulate the papers well in advance, four weeks before the meeting, to enable economies to consider their positions, consult internally and address any issues that may arise so that they are better equipped to represent their economies at the meeting.

- 4 That the TWG develop an agreed agenda of intersessional touch points between meetings to transact administrative business such as the finalisation of project proposals and concept notes to seek funding. This agenda should be agreed by members 12 months in advance and form the basis of an ongoing dialogue by working group members. It appears that there is*

often a rush to meet deadlines and that the meeting schedule is often not able to be aligned with the funding timetable for projects.

- 5 *That the TWG consult formally with OECD, PATA, WTTC and UNWTO on the development of its draft strategic plan so that it is consistent and complementary with the work of these international organisations. In particular, widely circulate the proposed implementation schedule so that there is an opportunity to partner with these organisations on key projects.*

2 Introduction

This is the final report of the 2014 Independent Assessment of the APEC Tourism Working Group (TWG). The independent assessment has been commissioned by the APEC Secretariat as part of an ongoing program to ensure that activities are targeted, effective, efficient and make the best use of scarce resources.

The analysis and recommendations in the report reflect the independent views of the assessor and build on findings from previous TWG reviews. The report also includes the feedback from the TWG members and other stakeholders consulted during the course of this assessment.

The assessment process has included:

- Participation in the 44th TWG meeting in Cusco, Peru in April 2014 where consultations were held with member economies, other guests and participants during and on the side lines of the meeting
- The responses to a questionnaire to TWG members that was circulated to members over April/May 2014.
- Telephone interviews of members in May 2014 with specific questions
- Consultation was carried out with Organisation for Economic Co-operation and Development (OECD), Pacific Asia Travel Association (PATA) and World Travel and Tourism Council (WTTC) officials
- A draft final report was circulated to TWG members in April 2014 and comments received are included in this report.

The draft final report was then submitted to the APEC Secretariat on 30 May 2014. It is intended that the final report will be submitted to the APEC Senior Officials Meeting (SOM) in September 2014.

3 Background to this Assessment

Introduction

The TWG was established in 1991 as a sectoral working group recognising the importance of the tourism industry and its importance to economic growth in the Asia Pacific region. At the Third APEC Ministerial Meeting¹, held in 1991, a work plan, including the improvement of data collection and statistical reporting; identification and reduction of impediments to tourism; tourism training and education and; compilation of an inventory of current tourism projects and tourism related events by APEC participants was approved. At the first Tourism Ministers meeting in 2000, APEC adopted the Tourism Charter, which remains the guiding policy document for TWG. Since 2000, there has been a regular program of working group meetings twice yearly and Tourism Ministers meetings every two years.

This independent assessment is the third to be carried out since the TWG was established. The last assessment was presented to the 37th TWG meeting in September 2010. This assessment therefore covers the period from September 2010 to the 44th TWG meeting in April this year.

¹ The Third APEC Ministerial Meeting, was held in Seoul and attended by Foreign Ministers and Economic Ministers from the 15 economies comprising APEC at that time.

This independent assessment responds to Ministers' instructions to the SOM Steering Committee (SCE) in 2006 to continue efforts to improve the operations and work of working groups, task forces and networks. This is to ensure that economic and technical co-operation (ECOTECH) activities are targeted, effective and efficient, and that APEC scarce resources are used in the most efficient ways.

This assessment also responds to subsequent Ministers' instruction to further review and streamline the fora by the SCE in recognition of the importance of the ongoing program of independent assessments to ensure APEC fora are strategic and effective. SCE has approved a program of independent assessments to evaluate all SCE working groups and task forces and support periodic review processes. The SCE supervises the independent assessment of APEC fora on a four year rotating basis to identify ways to improve the operation and function of the group and to strengthen their strategic priorities and direction for future work.

Terms of Reference for the Assessment

The terms of reference for the independent assessment as set out by the APEC secretariat require the following tasks to be undertaken:

- Review key APEC policy documents, including Leaders' and Ministers statements, TWG records of meetings, key project documentation and activities to assess the outcomes and how TWG supports the main objectives/goals of APEC and their impacts in APEC member economies;
- Evaluate whether TWG is operating effectively and efficiently;
- Whether the group's Terms of Reference, strategic plan or operations could be modified to better respond to APEC ECOTECH priorities and contribute to the achievement of APEC goals;
- Identify ways to strengthen TWG's strategic priorities and direction for future work;
- Provide recommendations on how the forum can better focus and more efficiently and effectively manage its tasks and assure that its capacity building activities are providing benefits according to Leaders' and Ministers' priorities;
- Identify ways to develop synergies among the work of the forum and other relevant APEC groups;
- Identify opportunities and provide recommendations for greater collaboration with non-APEC parties, including the private sector, civil society and other international organizations; identify ways for TWG to tap resources for programs;
- Explore how TWG can better take into account the APEC commitment to give gender greater consideration in accordance with directions outlined by the Policy Partnership on Women and the Economy;
- Finalize an array of recommendations on the above-mentioned areas. Recommendations are to be provided in two lists: the first list containing a maximum of 5 decision points for consideration by SCE to provide further instruction to the group, and the second list covering those recommended actions that can be further discussed for implementation by the TWG itself;
- Provide a draft report on initial findings, of no more than 30 pages, written clearly and containing robust analysis to be conveyed to the APEC Secretariat, members of SCE and TWG;

- Analyse member economies' responses to the draft report on initial findings;
- Produce and present the final report employing a clear and diplomatic style of presentation.

APEC Priorities and Strategies

APEC has an objective to enhance economic growth and prosperity in the region and to strengthen the Asia-Pacific community. APEC's broad agenda encompasses trade liberalisation, trade facilitation and economic cooperation in the region.

APEC Leaders have committed to the Bogor Goals of free and open trade and investment by 2010 for industrialised economies and by 2020 for developing economies. In all the publications and documents that are developed by APEC, this overall goal remains paramount.

In 1996, Ministers adopted the framework for Strengthening Economic Co-operation and development to further strengthen economic and technical co-operation in APEC. Subsequent changes have resulted in the SCE having a mandate to strengthen the prioritisation and effective implementation of ECOTECH activities. In 2010 a new framework was endorsed to guide the APEC funded activities of ECOTECH.

The objectives of the SCE are to:

- Strengthen the implementation of APEC's ECOTECH activities by prioritising work based on Leaders and Ministers' commitments and coordinating and providing oversight to the work of APEC fora
- Provide policy guidance on ways to contribute to APEC's ECOTECH goals and
- Coordinate ECOTECH objectives and priorities between the APEC Economic Leaders' Meeting and Ministerial meetings.

In 2010, Senior Officials endorsed a new framework and five areas have been identified as medium term ECOTECH priorities. These are:

- Regional economic integration
- Addressing the social dimensions of globalisation (inclusive growth)
- Safeguarding the quality of life through sustainable growth
- Structural reform
- Human security

These five priorities are intended to be the focus of the working group activities. In addition cross cutting methodologies have been identified that should be considered in all work streams and activities. These are:

- Develop human capital
- Gender equality
- Build linkages between APEC economies and
- Engagement of other APEC fora, the APEC Business Advisory Council (ABAC), the private sector and other multilateral organisations.

The five medium term priorities as well as the cross cutting methodologies are the primary considerations in assessing the outputs of the TWG.

Leaders Statements

The 2011 Leaders Declaration was made against a backdrop of uncertainty for the global economy and also just after a succession of natural disasters in the region. APEC Leaders emphasised the need to strengthen regional economic integration and expand trade and outlined a range of initiatives to progress this goal. Promoting green growth and regulatory convergence and co-operation were the other two priority areas identified by the Leaders. At this meeting, the Leaders launched the APEC Travel Facilitation Initiative (TFI) to explore ways to make travel in the region faster, easier and more secure as one of the actions to be carried out.

The Vladivostok Declaration of 2012 focussed on the theme of “Integrate to grow, Innovate and Prosper”. As part of the declaration the APEC Leaders recognised the significance of travel and tourism as a vehicle for job creation, economic growth and development in the Asia-Pacific. It commended the efforts of the APEC Tourism and Transport Ministers to encourage facilitation of international travel, to assess the liberalisation of transportation services and to improve the safety and security of tourist products.

At the 2013 APEC Leaders Meeting in Indonesia, the Leaders endorsed the Bali Declaration under the heading “Resilient Asia-Pacific, Engine of Global Growth”. The Declaration commits to taking action under the following headings:

- Supporting the multilateral trading systems and attaining the Bogor Goals
- Promoting connectivity
- Sustainable growth with equity

In addition, the Leaders instructed officials to continue to ensure that our regional economy is resilient, that our growth is inclusive, that our economies become ever more connected and that our people share equitable benefit from our secure and sustainable growth.

While the Declaration focusses heavily on trade and goods related issues, there is support for the Travel Facilitation Initiative and its work program. As an annex to the Declaration, the APEC Framework on Connectivity provides a further level of specificity on proposed actions to enhance connectivity across and within the APEC region.

Prior to the Leaders meeting in Bali, a High Level Policy Dialogue on Travel Facilitation was held. The resulting statement provides a valuable summary of previous work on travel facilitation and guidance and support from Ministers on future activities. In particular, Ministers urged the relevant five APEC fora, namely the Tourism Working Group, Transportation Working Group (TPTWG), Business Mobility Group (BMG), Subcommittee on Customs Procedures and Counter Terrorism Working Group to continue collaborating on all six pillars of the Travel Facilitation Initiative.

Ministers also urged the TWG and TPTWG to collaborate on the Tourist Friendly Airports Initiative as part of the Airport Partnership Program.

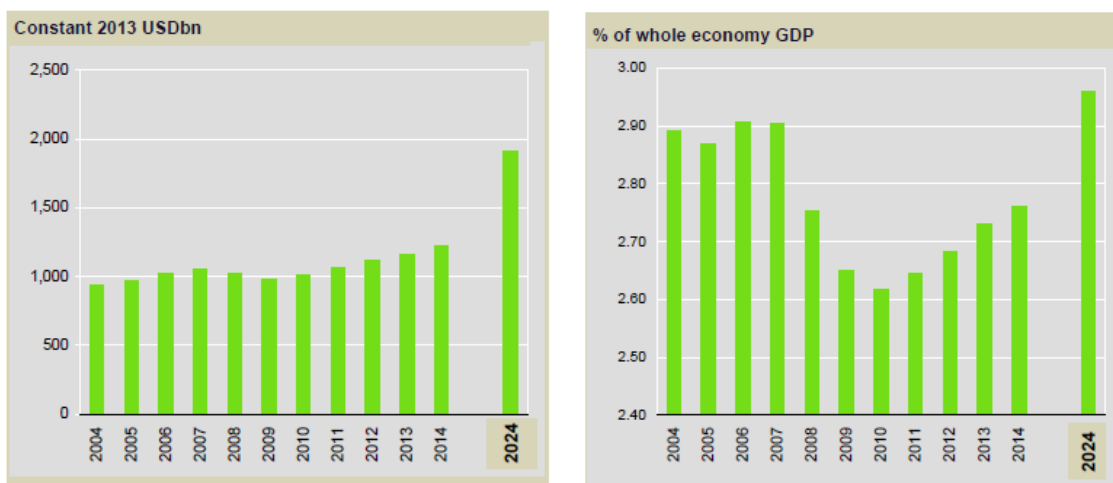
China hosts the 2014 APEC year and has identified “Shaping the Future through Asia-Pacific Partnership” as the theme for the year. It has set prioritising regional economic integration as the first priority, with “promoting innovative development, economic reform and growth” as the second priority. “Strengthening comprehensive connectivity and infrastructure development” has been declared as the third priority for 2014.

All of these documents provide guidance for the TWG in its strategy development, planning and implementation. Clearly there is also a strong direction from Leaders and Ministers for a collaborative approach to key policy issues and projects.

4 Tourism in the APEC Economy

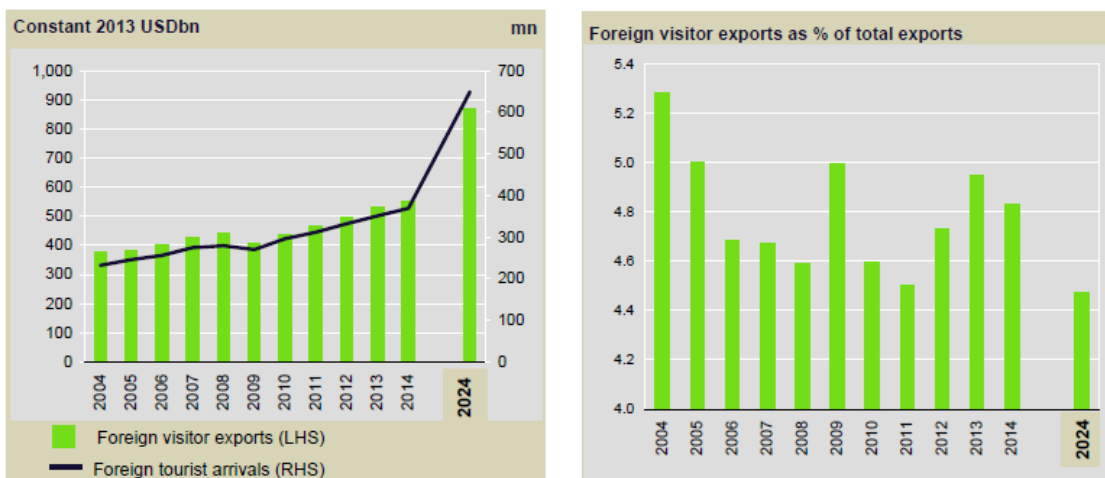
Travel and tourism in the APEC region has been an ongoing success story of almost continuous growth over the last decade. Only during the period of the financial crisis in 2008 – 2010 has tourism expenditure in the region dipped. Since this time, the sector has recovered strongly, recording growth every year since.

APEC: DIRECT CONTRIBUTION OF TRAVEL & TOURISM TO GDP



Travel and tourism is estimated to generate over 46 million jobs in the region in 2013 and comprise 3.2% of total employment. Longer term forecasts are for employment to rise to over 56million jobs by 2024, representing an increase of 1.8% per year for the next 10 years².

APEC: VISITOR EXPORTS AND INTERNATIONAL TOURIST ARRIVALS



² http://www.wttc.org/site_media/uploads/downloads/apec_region2014.pdf

International visitor arrivals to the region are expected to be a significant driver of economic growth in the region. This, combined with strong intra-regional growth as household wealth grows, is expected to result in growth above the global average for the next decade. Current United Nations World Tourism Organization (UNWTO) forecasts are 5% growth for the Asia Pacific region, and South America has a similar positive forecast. North America and Oceania are expected to have lower growth, being more mature tourism markets and generally being long-haul destinations from key source countries. These estimates of growth compare favourably with the global average growth rate, estimated at 3.3% until 2030. This long-term forecast is unlikely to be affected by local effects or specific events based on the last 50 years evidence of consistent growth trends in travel and tourism.

5 Methodology

The reviewer undertook a multifaceted approach to gathering information from stakeholders. A brief questionnaire (attached as Appendix 1) was sent to the TWG contacts at the 21 economies to gather some basic information and perspectives.

Tourism multilateral organisations with established relationships were contacted and either interviews or questionnaires were used to gather relevant information. The key agencies contacted were the Tourism Unit of the OECD Centre for Entrepreneurship, SME's and Local Development, PATA, WTTC and AICST.

The 44th TWG meeting was attended as an observer and at that meeting interviews were carried out with the member representatives from a number of economies. In addition, subsequent interviews were scheduled and carried out. The workshop on the assessment of the role of taxation in promoting travel and tourism growth in the APEC region was also attended.

The reviewer also attended the 41st and 42nd TWG meetings previously in another capacity and has drawn on those experiences.

In total, information was obtained from 12 of the 21 APEC economies as input to the review. The emailed questionnaire approach resulted in a very low response rate from member economies. Those economies that did respond provided valuable and insightful responses.

The assessment and the terms of reference were also discussed with the Program Director responsible for TWG at the APEC Secretariat.

6 Alignment with APEC Priorities

TWG Strategic Plan

The TWG began development of the APEC Tourism Strategic Plan in 2010 as a result of decisions taken at the 6th APEC Tourism Ministerial Meeting in Nara, Japan. The development of the plan was guided by the information from economies that attended, as well as seeking input from member economies over the following year. The TWG conducted focus group discussions and workshops in conjunction with TWG meetings in Japan, the Philippines and USA. Comprehensive exchanges of information and review were also carried out intersessionally over the period of strategic plan

development. The document was adopted by the APEC Tourism Ministers at the 7th Ministerial meeting in Khabarovsk, Russia.

The strategic plan is intended to cover the period 2012 – 2015 and comprises critical success factors, strategic objectives and an implementation schedule for the four year period.

The strategic plan is structured around four strategic objectives/directions:

- Promote better understanding and recognition of tourism as an engine of growth and prosperity in the APEC region
- Ensure inclusive growth in the travel and tourism sector by encouraging socially and culturally responsible tourism
- Promote and enhance sustainability of tourism businesses and destinations by providing an enabling environment based on sound principles of sustainable tourism
- Promote efficiency and regional economic integration through policy alignment and structural reforms.

The assessor has endeavoured to identify the alignment of the ECOTECH priorities, the Charter Goals and the Strategic Plan objectives below:

2010 ECOTECH medium Term Priorities	2000 Tourism Charter Goals	2012 TWG strategic Plan objectives directions
	Goal 4: Enhance recognition and understanding of tourism as a vehicle for economic and social development	Promote better understanding and recognition of tourism as an engine of growth and prosperity in the APEC region
Regional Economic Integration	Goal 1: Remove impediment to tourism business and investment Goal 4: Enhance recognition and understanding of tourism as a vehicle for economic and social development	Promote efficiency and regional economic integration through policy alignment and structural reforms
Addressing the social dimensions of globalisation (inclusive growth)	Goal 2: Increase mobility of visitors and demand for tourism goods and services in the APEC region Goal 1: Remove impediment to tourism business and investment	Ensure inclusive growth in the travel and tourism sector by encouraging socially and culturally responsible tourism
Safeguarding the quality of life through sustainable growth	Goal 3: Sustainably manage tourism outcomes and impacts	Promote and enhance sustainability of tourism businesses and destinations by providing an enabling environment based on sound principles of sustainable tourism

Structural Reform	Goal 1: Remove impediment to tourism business and investment	Promote efficiency and regional economic integration through policy alignment and structural reforms
Human security		

Given the different development processes, purposes, scope and timing of the three documents, there is reasonably good alignment of purpose between the three sets of goals. While the alignment is not perfect, it is clear that there is a strong focus on the principal goals of APEC within the current strategic plan.

In addition, the four goals of the Tourism Charter resonate well with the TWG member economies. Economies have expressed the view that there is a strong correlation with the objectives in the strategic plan and the national strategies that have been developed by many economies. While there are projects and initiatives that relate to the four objectives, many felt that this relationship between the work of TWG and the national strategies was a powerful reason for participation and added support to the ongoing participation and involvement in TWG. This close relationship between TWG and the economy priorities has resulted in greater understanding and support from Ministers. This alignment gives support to the priorities and the subsequent work plan of the TWG. The challenge remains to get even greater integration of the strategic priorities, the actions to implement the priorities and the funding to undertake the actions. Typical economy responses were:

“Yes, most of the strategic plan is relevant to Thailand’s tourism strategic plan, especially sustainable tourism and safety and security are out priorities” Thailand

“Yes we think the TWG strategic plan is relevant to our economy” China

The TWG thrust is in strong alignment with those APEC priorities that relate to services and economic growth. Much of the previous APEC priority statements and commentary relate to goods and free trade. Travel and tourism is one of the most restriction free sectors of the global economy. As such this is not often recognised in the policy statements and objectives set out by APEC.

Under the four objectives of the current strategic plan, there are over 30 programs and actions proposed over the period of the strategic plan. The range of actions that were proposed between 2011 and 2014 covers a very wide range of topics and is too broad and extensive for TWG to carry out. The strategic plan, while having a sound structure and clear goals, does not carry this through to the actions or the medium term work plan.

Economies have expressed some consistent aspirations in relation to the future TWG strategic plan:

“We are looking for more concrete results from the working group” Vietnam

“For the future strategic plan we are looking for more concrete outputs that are focussed on results” “more useful products and better information” USA

“We want real deliverable results. Thailand sets targets for 2020 – a benchmark that is an aspiration we need to include similar things in the strategic plan” Thailand

In developing the next strategic plan for TWG, a more structured process of development of the priorities needs to be undertaken. The guidance that has been prepared by APEC (2012/SOM/SCE 007 and 2012/SOM/SCE 008) provides valuable checklists and guidance on the preparation of the

strategic plan. The development of the previous strategic plan was undertaken with a high level of consultation and this time a similar level of involvement of member economies is highly desirable.

A more realistic consideration of the quantum of projects and other activities that can be undertaken is required. Without a good understanding of the size and cost of the projects, there is difficulty in assessing what can be achieved in some work areas. In developing the medium term work plan, further information on the scale of the proposed activity would be invaluable in assessing its priority and practicality.

There appears to be no prioritisation of the actions or an assessment of the potential progress to achievement of the goals by carrying out the individual actions. A realistic assessment of the action required to achieve the proposed progress by the activity is necessary.

Documentation of the actions and projects that have already been undertaken by both APEC and other agencies is required as context to the forward looking proposals. Information about the work by individual economies would also provide a valuable input to having a comprehensive understanding the state of knowledge and progress within which a new action is to be carried out within. Essentially, will this project create new results that will progress towards achievement of the APEC goals?

Recommendation

That in developing the strategic plan for 2016 – 2019 the TWG carefully assess the priorities as outlined by the APEC ECOTECH, Leaders statements and Ministerial directives and establish criteria to prioritise the actions to be undertaken in the implementation schedule.

TWG Projects

The TWG projects that have been delivered over the review period from 2010 to 2014 comprise the following:

- Identification of Best Practice in Use of Clean Technology as a Source of Energy in Hostelry.
TWG 02 2009 (Peru)
- Best practices in Key Rural Tourism Resources Managed by Local Communities.
TWG 01 2009 (Peru)
- Creating Business Growth Opportunities in the New APEC Economy.
TWG 01 2011A (USA)
- Destination APEC 2020: A Conference on Enhancing Tourism and Air Transport Connectivity in the Asia-Pacific Region.
TWG 02 2011A (The Philippines)
- Sustainable Development of Tourism Destinations.
TWG 03 11A (Australia, Chile, Russia)
- The Role of Taxation in Promoting Travel and Tourism Growth in the APEC Region.
TWG 01 2013 (The Philippines)

Each of these projects was developed by a collective of economies in conjunction with the whole TWG. The procurement processes included evaluation by representatives of economies that had no role in the development of the proposal (at times this has caused difficulties in the evaluation process).

As observed in previous assessments, the funding allocated to TWG projects is not great and the number of projects undertaken by the group is not large. However a number of the projects are significant in scale and this influences their importance to the working group.

While there is a perception that the number of projects that attract APEC funding is an important measure of a working groups success, the increasing constraints on APEC funding and the growing demand on this finite resource mean that the level of activity of the working group as resourced from this source is constrained. As outlined at the 44th TWG meeting, the level of funding available in the future from the Trade and Investment Liberalisation and Facilitation Special Account (TILF) and the APEC Support Fund (ASF) will be severely constrained in the coming years.

Economies differ widely in their evaluation of the importance of the projects. This differing response partly reflects the level of involvement and also the degree of relevance of the project to the economy and its tourism issues.

“From a PNG perspective we think there should be more projects on member nations whose tourism industry is still in its infancy and developing. Considering our tourism numbers have just reached 41,000 last year.” Papua New Guinea

“Motivating reasons: It is important for us to support the development of projects which strengthen capacity building for the tourism workforce, destinations, tourism products, among others.” Peru

“I can’t see us leading a project but would be interested to see what is going on and we are interested in the taxation work that is proposed.” New Zealand

Over the assessment period many of the APEC economies have participated in the projects one way or another. There seems to be no shortage of economies that are willing to develop the brief and to contribute to the study. For example, the recently initiated project on taxation proposes to have six economies as case studies and to do in depth work in those economies. The best practices study in rural tourism has 22 case studies including 11 from APEC economies. The conference hosted by the Philippines on Enhancing Tourism and Air Transport Connectivity in the Asia-Pacific Region was attended by over 160 delegates. Sixteen APEC economies were represented at the conference. As a measure of alignment and importance, the projects and workshops have a significant support.

Economies see the projects and workshops as an invaluable mechanism to learn about policy options and share experiences. Case studies that are drawn from specific businesses and their results are valuable in motivating other businesses in other economies to understand what is possible and what best practice is.

“One of the reasons why we are here is that we have a responsibility to share and it is also a platform to learn.” The Philippines

“Motivating reason: Technical assistance in Tourism. Identify good practices (or programs) from different economies in order to get technical assistance which benefits tourism in Peru. That’s why it is important for us to support the development of projects which strengthen capability for tourism workforce, destinations, tourist products among others.” Peru

The ability to consider policy choices that have been applied in other economies and learn from the experiences is seen as the principal benefit by member economies of much of the work undertaken by the group. Economies with less developed tourism infrastructure are keen to gather information on development pathways for their industries and to learn from others about new approaches and

best practice that is being applied in other economies. Those economies that have more developed tourism industries now consider that they have useful experiences to share with the rest of the APEC community. This is seen as part of the process of contributing to broader regional economic growth and development. Collaboration on policies and issues of collective concern was also considered to be a valuable means of understanding the APEC economies tourism industries. Given that APEC economies provide valuable tourism source markets for each other, better understanding and information is seen as a contributor to improving marketing and the overall performance of tourism.

Project Selection

While there is a structured process as outlined in the APEC Project Guide (the 9th edition, published in February 2014) many members consider the process to be overly complex with a demanding timetable, especially if there are multiple sponsoring economies. With five stages and 13 steps to approval detailed in the guide, it appears that this is a significant process to undergo if there are limited funds available and a reduced likelihood of success. This leaves a number of options available to TWG members to improve their success in achieving funding. TWG will need to carefully consider the likelihood of success at the concept development stage and at the prioritisation stage so that those concepts that are less well developed or of lower priority are not progressed and therefore do not consume effort that could go into other proposals. TWG will also need to focus more on the costs of projects and the funding sources, ideally with a greater emphasis on economy co-funding as part of the concept development process.

One economy that was involved in the development of a project proposal and the subsequent administration has expressed concerns about the complexity of the development process, the inability of project overseers to contribute to the decision making further into the process of approving the project. If there are three economies as proposers then having up to three peer reviewers that are knowledgeable in the subject matter can be challenging. Other economies have expressed the view that there should be funds allocated to working groups to undertake small projects at their discretion.

As the funding pool becomes smaller, there is a need for TWG to be more discriminating about the concept notes that are supported to go forward to the full project proposal. At present it appears that there is limited discussion at the concept note stage to critically evaluate the merits of the proposal, its fit with the strategic plan, and in particular the funding of the project and whether there are other partners, either economies or other organisations, that can contribute to both the work and its funding.

Based on the projects supported to date, there also appears to be a heavy reliance on projects that are carried out externally to the TWG. These are often undertaken by consultants rather than with a major involvement by staff from member economies. If a consultant worked alongside an economy, there is potential for cost savings and greater engagement on the project. An exception to this general observation is the conference on enhancing tourism and air transport connectivity in the Asia-Pacific Region undertaken by the Philippines where there was a major contribution to the conference from member economies and multilateral organisations.

Another issue of concern is that the projects are often stand alone and do not build on each other to develop momentum or significantly increase knowledge and or action on a specific issue or topic. One historical example that was successful in this regard was previous work by TWG on Tourism Occupational Skill Standards, where a comprehensive suite of standards were developed and successfully implemented in a number of APEC economies. The potential exists for more of a

program approach to projects and this was detailed in the 2010 independent assessment of TWG. Consideration needs to be given to more of a program approach to projects once the key priorities for TWG have been established in the new strategic plan.

To support this approach it would be helpful for the Budget and Management Committee (BMC) to review the criteria for multi-year projects. The pilot programme had criteria requiring a minimum of half the APEC member economies to co-sponsor a project, co-funding requirements of 50% for developed economies and 20% for developing economies, close co-operation from a minimum of two APEC fora and relevant external stakeholders be involved in planning and implementation. This set of criteria creates a significant disincentive to establishing a program approach to projects. Should the BMC reactivate multi-year projects a more attractive criteria need to be established.

Recommendation

That TWG assess concept notes more fully at the early stages of the process with particular regard to support from proposing economies and the funding requirements to achieve an effective project.

Recommendation

That in the evaluation of projects for funding greater weighting is given to those projects that are supported by funding from economies with an interest and commitment to the project. The goal would be to incentivise greater economy and other party commitment and investment in the projects that come forward to APEC for funding.

Recommendation

That TWG give highest priority to those projects that have the greatest regional application and value.

Recommendation

That TWG place greater emphasis on knowledge transfer of best practice and research within the APEC community as a component of projects.

Recommendation

That SCE provide more guidance about its subject area priorities and weightings to be used in selecting projects for funding.

Recommendation

That the funding and evaluation process for individual projects with a low funding requirement should be streamlined to reduce the transaction costs being incurred.

Recommendation

That TWG explore more of a program approach to projects so that the results of each project inform the next project to increase the benefit resulting from each project.

Recommendation

That if multiyear projects are resumed the option of a program approach should be included to make complementary and related projects more attractive.

TWG Technical Workshops

Technical Workshops have become an additional feature of the activities of the TWG in recent years with the following workshops having been held in conjunction with the TWG meetings:

2011: Joint Dialogue on Tourism Security, 18 September, San Francisco, USA

2011: Workshop on Sustainable Tourism, 19 September, San Francisco, USA

2012: Connecting APEC – A Conference on Enhancing Tourism and Air Transport Connectivity in the Asia-Pacific Region 27-28 February, Manila, The Philippines

2012: 90th Session of the OECD Tourism Committee and Joint OECD-APEC Forum on Tourism, Korea, 24-25 September Muju, Korea

2013: Workshop on Tourist Friendly Airport Program, 23 April, Solo, Indonesia

2014: APEC Workshop on the Role of Taxation in Promoting Travel and Tourism Growth in the APEC Region, 8 May, Cusco, Peru

While these have been highly relevant topics, there remains a strong focus on the TWG members as participants, speakers and facilitators at the workshop events. There is a significant untapped potential to raise the profile of APEC and the TWG within the private sector by increasing the breadth of involvement by other parties in the workshops.

An example of quality integration with the private sector and academia was the 2011 workshop on sustainable tourism hosted by the USA. The presentations and engagement included a number of companies as well as academics from the economy presenting on their expertise to the topic of the workshop.

Similarly, the 2012 conference “Destination APEC 2020: A conference on enhancing tourism and air connectivity in the Asia-Pacific region” was a very successful example of regional co-operation. Over 160 participants attended from a wide range of international organisations, private sector companies and APEC economies. The proceedings have been published as an APEC report and provide useful information to support the work of the TFI.

The 2014 taxation workshop in Cusco involved the TWG project consultants providing an outline of the project scope and seeking further definition of the priorities and scoping of the work. While it may have been premature to include industry at that workshop, there is significant merit in extending the scope of the reporting and engagement to the private sector. Industry bears the burden of taxes, both in monetary terms as well as transaction costs. They are well placed to make a substantive contribution to the thinking and practical interpretation of the final findings resulting from this project. Recognising this, WTTC have offered to support the project and contribute to the work on taxation in tourism.

Consideration needs to be given to extending the workshops and the participant invitations to a broader community of tourism and industry professionals on a consistent basis.

An important issue that arises from analysis of the workshops hosted by TWG is the strong relevance to the total program of the TWG. However, the issue that presents some concern is the lack of connectivity between the workshops and the rest of the strategic plan and work program of TWG.

For example, the work carried out by the Philippines on air connectivity was years in advance of the TFI. It appears that these two work areas are not connected and the previous work by the

Philippines has not been brought forward into the TFI. A more strategic and disciplined approach to encourage an accretion of knowledge and relevance around specific subjects is important and will improve the impact of TWG activity.

Recommendation

That the TWG invite a broader range of participants to its workshops to improve the connection with the private sector and also as a means of transferring knowledge into the host economy. That the host economy consider inviting peak industry organisations and tourism academic institutions to participate at workshops held alongside TWG meetings.

Recommendation

That ABAC be invited to participate in relevant TWG meetings and in the development of the TWG strategic plan as a means of strengthening the conduit to the APEC business community.

7 Tourism Working Group Operations

Structure of the TWG

The APEC TWG follows a standard format of twice yearly meetings and the Ministerial meeting being held every two years in conjunction with the TWG meeting. The location and timing of TWG meetings are determined by the host and depend on their preferences and the availability of the required support and infrastructure to hold the meeting. Hosts volunteer to hold meetings and these are generally established one to two years in advance.

Participation at TWG meetings

Meeting Schedule	Participation	Guests
37 th TWG meeting 19- 20 September, Nara, Japan,	17 Economies	Guests from AICST, International Aviation and Transport Association (IATA), OECD, PATA.
38 th TWG meeting 7-9 May 2011, Cebu, The Philippines	13 Economies	Guests from AICST, PATA WTTC, and guests from Macao, China
39 th TWG meeting, 20 -21 September 2011, San Francisco, USA	16 Economies	Guests from AICST, PATA, WTTC, and guests from Macao, China
40 th TWG meeting 25-26 April 2012, Taipei, Chinese Taipei	17 Economies	Guests from AICST, PATA, WTTC, and guests from Macao, China
41 st TWG meeting 21-22 July 2012, Khabarovsk, Russia	19 Economies	Guests from AICST, IATA, OECD, PATA, and TRC Tourism (TRC).
42 nd TWG meeting 24-25 April, 2013, Solo, Indonesia	12 Economies	Guests from AICST, PATA, UNWTO, WTTC and TRC.
43 rd TWG meeting 14-15 August 2013, Kho Samui, Thailand	15 Economies	Guests from AICST, IATA, PATA, UNWTO, WTTC and Colombia.

44 th TWG meeting 9-11 April 2014, Cusco, Peru	14 Economies	Guests from AICST, PATA, WTTC, and guests from Colombia and Macao, China
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Participation at the TWG meetings has remained largely constant over the years. The attendance levels at the last five years of meetings are detailed in the table above. In the assessor's experience, the pattern of participation over the last five years also reflects participation in the previous period.

While attendance has fluctuated, it is generally the same economies that participate and contribute to meetings and the same economies that do not attend. Those economies that rarely attend such as Papua New Guinea, Canada and more recently, New Zealand may be constrained by resources and/or general institutional arrangements that mean the agenda of APEC is less relevant to their policy needs.

New Zealand has, for example, indicated that they participate when there are Ministerial meetings and have expressed interest in the proposed work on taxation and travel.

There is a limited degree of intersessional activity and this relates largely to operational matters such as review and submission of project applications to the APEC secretariat to meet the timetable and process requirements for funding.

Since the last independent assessment in 2010, TWG has had only two Lead Shepherds. USA was appointed as Lead Shepherd in 2010 and held office until September 2011. Mexico was then appointed as Lead Shepherd. Mexico was appointed for a further two year term in 2013. This continuity has been a strength to the TWG and also has enabled the group to have additional strength in planning and setting out its strategic plan. Whether this can be continued in the future is an issue for TWG, and presumably other working groups, as personnel change from the participating economies and thus the "institutional knowledge" is not sustained. It is noticeable that there has been a wide geographical distribution of economies taking up the Lead Shepherd and Deputy roles and this diversity adds value to the operation of the working group.

TWG Deputy Lead Shepherds have played an important role in facilitating the hosting of the meetings and deputising for the Lead Shepherd on rare occasion. However, based on observations of the meetings, there is a need for a greater distribution of planning and managing the working group amongst the member economies. It appears that this approach is in train, with four "champion" economies undertaking part of the strategy development work in the lead up to developing the 2014 TWG strategic plan. There is an opportunity for the Deputy Lead Shepherd to also be active in the development of meeting agendas and to participate more fully in meetings by taking the lead on some issues on the agenda. It appears that the Lead Shepherd has the task of managing the meeting as well as leading discussion on many of the papers for consideration at the meeting.

In discussions with member economies, some important practical improvements to the operation of the meetings were proposed.

Meeting agendas: The meetings have an agenda structure that largely presents the important issues on day one of the two day meeting and the information exchange papers on the second day of the meeting. Sometimes these two segments are reversed. Some economies expressed concern about the timing and distribution of the agenda, and also the distribution of the papers for the meeting. While the responsibility for the papers ultimately rests with the authors from the relevant economy,

it appears to be normal for papers and presentations to be circulated very close to the meeting date or actually distributed at the meeting.

There needs to be a clear distinction in the agenda, and also in the timetabling of the documentation for distribution, between agenda items for substantive discussion and decision, and those agenda items that are for information. This distinction is also important for the timing of the distribution of meeting documents.

Some economies felt that they would be far better equipped to contribute to the discussion and therefore contribute more fully at the meeting if they received the substantive papers four weeks before the meeting. This would enable the officials to consult more widely with other organisations and colleagues within the economy, translate the papers as required and form economy positions or gather information to contribute to the meeting discussion.

Other agenda items that are less critical and “for information”, such as economy reports, were seen as requiring less analysis and engagement. Member economies were of the view that these could continue to be presented directly at the meeting without circulation, thus enabling the most up to date information to be included. Where possible, there should be advance circulation and compliance with APEC meeting requirements so that papers can be distributed efficiently and effectively.

In addition to economies having a greater opportunity to prepare for the meetings with an early circulation of papers and agendas, some members were also of the view that there needed to be a clearer understanding of the program of the TWG and therefore greater consideration by the economies about which delegates participated at TWG meetings. Many member economy tourism agencies comprise a combination of functions such as policy development, regulatory and administrative roles and also marketing responsibilities. Most tourism agencies are small and do not have large staff resources, particularly in relation to policy and regulation, as often these functions are carried out elsewhere in the member economy government. As TWG has an increasing focus on policy issues rather than marketing topics, the need for representation that reflects the nature of the agenda is important. Having knowledgeable delegates participate at the meetings with a good understanding of the issues and their importance both within the economy and regionally would improve the engagement and quality of dialogue at meetings.

An additional benefit would be for economies to present their information at the TWG meetings in a standard format. PATA and WTTC also prepare regional statistics and a combination of these sources combined into an overview report would provide an excellent base for improved understanding of the role of tourism as an economic contributor in the region. The APEC Policy Support Unit (PSU) is well placed to collate and provide commentary on the current regional tourism situation. Such a “State of APEC Tourism” report would be invaluable in raising the profile of tourism and also could be used as a basis for Ministerial discussion, policy setting and work planning.

Recommendation:

That the TWG Lead Shepherd in conjunction with the Program Director restructure the TWG meeting agenda so there is a clear distinction between agenda items that are for discussion and decision, and those that are for information only.

For those action items to circulate the papers well in advance, four weeks before the meeting to enable economies to consider their positions, consult internally and address any issues that may arise so that they are better equipped to represent their economies at the meeting.

Recommendation

That the Program Director take a more active approach to seeking input to key agenda items such as the development of the strategic plan and decisions and responses around projects. While there is not restriction at present on written responses being tabled at the meeting by economies, the Secretariat should explicitly seek written responses from economies unable to attend.

Recommendation

That the TWG develop an agreed agenda of intersessional touch points between meetings to transact administrative business such as the finalisation of project proposals and concept notes to seek funding. This agenda should be agreed by members 12 months in advance and form the basis of an ongoing dialogue by working group members. It appears that there is often a rush to meet deadlines and that the meeting schedule is often not able to be aligned with the funding timetable for projects.

Recommendation

That in the years when there is not a Tourism Ministers meeting, the second meeting of TWG in that year be scheduled to align with another working group as a collaborative meeting or with a SOM meeting to enable greater connection across the APEC working groups.

Recommendation

That, prior to the Ministerial meeting every second year the TWG commission or internally prepare a "State of APEC Tourism Report" for consideration and adoption by Ministers and as a contribution to the leaders declaration and other agenda setting processes of APEC. To achieve this the TWG should seek the support of the APEC PSU and second seek assistance from WTTC and PATA as sources of statistical information.

Recommendation

That the TWG develop a standardised reporting template for economies to present their tourism information to the meeting and as a contribution to the "State of APEC Tourism" report.

Recommendation

That TWG member economies consider the agenda topics of TWG and select their delegations with expertise and knowledge to make a contribution to the dialogue on these topics at the meetings.

8 Relevance of the TWG Terms of Reference

The TWG terms of the reference were developed through a comprehensive process of development in 2000 and are described in the Seoul Declaration as the Tourism Charter. There are four policy goals that are established for economies to foster the development of tourism and enhances its contribution to the APEC regional economy. The four policy goals are set out below:

Goal 1: Remove impediments to tourism business and investment

In particular we will seek to achieve this goal by:

- *promoting and facilitating the mobility of skills, training and labour;*
- *promoting and facilitating productive investment in tourism and associated sectors;*
- *removing regulatory impediments to tourism business and investment; and*

- *encouraging liberalization of services trade related to tourism under General Agreement on Trade in Services (GATS).*

Goal 2: Increase mobility of visitors and demand for tourism goods and services in the APEC region.

In particular we will seek to achieve this goal by:

- *facilitating seamless travel for visitors;*
- *enhancing visitor experiences;*
- *promoting inter- and intra-regional marketing opportunities and cooperation;*
- *facilitating and promoting e-commerce for tourism business;*
- *enhancing safety and security of visitors; and*
- *fostering a non-discriminatory approach to the provision of visitor facilities and services*

Goal 3: Sustainably manage tourism outcomes and impacts:

In particular we will seek to achieve this goal by pursuing policies that:

- *demonstrate an appreciation and understanding of our natural environment and seek to protect that environment;*
- *foster ecologically sustainable development opportunities across the tourism sector, particularly for small and medium sized*
- *enterprises, employment and providing for open and sustainable tourism markets;*
- *protect the social integrity of host communities with particular attention to the implications of gender in the management and development of tourism; recognize, respect and preserve local and indigenous cultures together with our natural and national cultural heritage; and,*
- *enhance capability building in the management and development of tourism.*

Goal 4: Enhance recognition and understanding of tourism as a vehicle for economic and social development.

In particular we will seek to achieve this goal by:

- *harmonizing methodologies for key tourism statistical collections, consistent with activities of other international tourism organizations;*
- *facilitating the exchange of information on tourism between economies;*
- *promoting comprehensive analysis of the role of tourism in member economies in promoting sustainable growth; and,*
- *expanding our collective knowledge base on tourism issues in order to identify emerging issues and assist implementation of the Charter.*

Given the four goals of the TWG mission resulted from a consensus process, and that they have successfully endured for over ten years as one of the guiding considerations for the working group, they are a good basis to look forward into the future. Many economies continue to support the four goals, with the comment that these goals or similar aspirations are contained within their national tourism plans.

The priorities were previously reviewed by the TWG in 2011. At that time there was agreement that the mission as stated in the Tourism Charter remained highly relevant and could endure for a further period.

At the 44th meeting discussion again centred on TWG's mission. There was a general consensus that the mission as outlined by the four goals remained highly relevant and that the priority was to develop the strategic plan of action to implement the goals of the TWG mission.

There is good alignment of the four goals with the ECOTECH priorities of regional integration, inclusive growth and sustainability

The reviewer considers that while the TWG mission, as defined by the four goals, remains highly relevant at the highest level, the actions under the four goals will need revision soon. This is particularly the case with significant activity in the TFI and other initiatives that are highly relevant to tourism making progress towards achieving the four goals. Some economies have also highlighted the need for this revision, commenting that the language and emphasis needs to change in the light of progress over the last 14 years. For example, “overcoming of impediments” should be changed to focus more on maximising the benefits from opportunities to achieve economic growth. Other actions have, over the period, become the role of other agencies. For example, harmonisation of statistical methodologies has largely been carried out by UNWTO on a global scale. The review should be carried out by 2016 and be aligned with the proposed revised ECOTECH goals that are due to be reviewed by 2015.

While the goals are relevant, TWG should also focus on the ECOTECH issues that are relevant to all economic sectors and not just those of particular relevance to tourism. Capability development and skills are important across all sectors and warrant further consideration in the longer term development of tourism in the region. While tourism as an economic sector is less regulated and has fewer barriers to open and free trade within the APEC region, an emphasis on those priorities at the core of APEC activities will enhance the relevance of the TWG work program. Similarly, work previously undertaken by TWG in areas such as crisis management guidance could usefully inform current and future work being undertaken in other APEC fora.

Recommendation

That the TWG comprehensively review the Tourism Charter and in particular the actions under the four goals, by 2016 with a view to ensuring that the mandate for TWG and its strategic plan align with APEC ECOTECH priorities.

9 Co-operation

With other APEC Fora

Little progress has been made in having joint meetings or cross participation at other APEC fora meetings. While there is merit in achieving this, the logistics appear to be difficult. There does not appear to be a central mechanism for coordination across APEC fora to support joint meetings or back to back meetings.

One economy did comment that there were significant benefits associated with the one time that the TWG meeting was held at the same time as the SOM meeting in San Francisco. From an administrative and cost perspective, there were efficiency gains as a result of the same infrastructure being used for two meetings. The second benefit reported was a greater engagement with the APEC senior officials who were present and able to meet with tourism officials.

The structure of economies volunteering to host meetings makes the process of joint meetings complicated. With the reliance on a voluntary approach to most aspects of the operation of APEC and no coordination mechanism, there is little prospect of significant change without a strong commitment from all quarters to closer coordination.

Notwithstanding the limitations to having joint meetings, other opportunities for joint action and activities have been taken up in the past as the opportunity has arisen. An example of close cooperation was the joint project: TPT 02/2009 “Study of International Visitor Flows and Greenhouse Gas Emissions for a Template to Examine the Impact on APEC Economies of Future Market-based Measures Applying to International Transport”. This project was a joint initiative with the Transport Working Group. However, there have been no subsequent joint projects since this one in 2009.

Cross participation is achievable on a longer time frame. ABAC and the Transport Working group are two APEC groups that would be strong candidates for such a joint meeting.

Subject matter and issues need to align more across the working groups. The TFI is a process that should enable greater coordination and cross pollination between the APEC working groups. At present it appears that this initiative, which has a considerable range of actions is largely being driven by one economy. While it appears to be operating as a major project with many facets, the connection between the TFI and the TWG is reliant on the participation of one economy and a reporting process that occurs at meetings. It appears that the six work streams are not deeply connected to the working groups with expertise and interest in the outcomes of the project.

While there are opportunities for the Lead Shepherds to attend the SOM committee meetings, as a whole it is unclear that this is an effective mechanism to achieve alignment between APEC fora or as a mechanism to align strategic plans. This reviewer understands that there has been attendance at SOM meetings by TWG Lead Shepherds only once in the four years since the last assessment. In discussion with the current Lead Shepherd, he has undertaken to contact the Lead Shepherds of other working groups with a complementary remit to the TWG. While the Program Director also assists in providing a link to the APEC secretariat and other fora, the collective processes do not appear offer simple means of engagement.

Recommendation

That APEC SOM take a stronger leadership and coordination position by supporting and enabling joint or back to back meetings of working groups and providing additional support to Lead Shepherds to coordinate with other working groups.

That economies developing significant projects and multi workstream projects be required to consult with other relevant working groups and report on the connections in the final project proposal that is submitted for funding.

With Other International Organisations and Stakeholders

TWG has consistently invited a suite of guest multilateral organisations to attend its meetings. AICST, PATA and WTTC have regularly attended working group meetings and have made substantial contributions to the dialogue at the meetings. These organisations have also contributed to the meeting content, presenting on issues at the forefront of their policy programs.

In 2012, the TWG held a joint session with the OECD Tourism Committee in Korea. This represents a new innovation and is an important example of closer cooperation that could be developed over the longer term. Noting that the OECD will be hosting the 13th Global Forum on Tourism Statistics in Nara, Japan in November 2014, this presents a further opportunity for information exchange and knowledge transfer between the two organisations.

The OECD has also been working on taxation with a review of policies and practices in tourism taxation. Much of this work is reported in the OECD publication "Tourism Trends and Policies 2014". With the current TWG project on taxation "An assessment of the Role of Taxation in Promoting Travel and Tourism Growth in the APEC region" (TWG 01-2013) in its formative stage, there is an opportunity to collaborate closely with the OECD and ensure that the work of the two organisations is complementary. At present there is no formal mechanism for a more collaborative approach between TWG and other international organisations in setting the new TWG strategic plan.

WTTC in particular has been active in providing technical expertise in a number of fora, such as the G20 Finance Ministers meeting and the T20 Tourism Ministers meeting on issues of concern to their membership. Their research and technical capability could be harnessed more in support of the TWG work program. It was instructive to note that at the 44th TWG meeting, WTTC offered to collaborate and contribute funds to the taxation and tourism project, the next major policy topic for TWG.

Similarly in 2013, PATA extended its membership to include the Latin American economies that are also members of APEC. This means that there is congruence between the membership of PATA and APEC. PATA is active in tourism research and forecasting and collects data and provides analysis on issues of concern to its membership. Again, there is an opportunity to work collectively on issues of common interest.

UNWTO has previously attended TWG meetings, and in particular Tourism Ministers meetings, providing a valuable perspective on the global tourism situation. UNWTO is also a leader in developing standards for tourism statistics collection, analysis and dissemination. It has carried out extensive training on the development of tourism satellite accounts in the APEC region for member economies and continues to be active in this subject area.

While the current guests are principally focused on policy matters, development agencies such as the World Bank (WB) and the International Finance Corporation (IFC), the Asian Development Bank (ADB) and the Inter-American Development Bank (IADB) all invest in tourism development in many economies in the APEC region. A connection with the investment priorities of these organisations may provide a mechanism to achieve implementation of policies in some economies.

A broader consultation on a longer term work program would enable multilateral agencies to contribute to the work of TWG.

Recommendation

That TWG extend an invitation to the Tourism Unit of the OECD as a guest at all subsequent meetings and include OECD in the document distribution from the meetings.

That the TWG consult formally with OECD, PATA, WTTC and UNWTO on the development of its draft strategic plan so that it is consistent and complementary with the work of these international organisations. In particular widely circulate the proposed implementation schedule so that there is an opportunity to partner with these organisations on key projects.

That the TWG explore and support a collaborative approach with other multilateral agencies to projects, where possible, that will progress the mission of the TWG.

Gender issues

Based on the participation at TWG meetings observed by this assessor, there is approximately equal participation by women representatives from member economies. In addition, there are a significant number of women Tourism Ministers. Overall the tourism industry employs a large number of

women throughout the industry. In many member economies the benefits of economic development through tourism growth are captured equally throughout the population. Notwithstanding this, the TWG should continue to take a leadership role within APEC on gender issues. Suggested enhancements include developing and promoting a women's network in tourism; establishing benchmarks, either relating to women's participation or as beneficiaries of the project, when considering concept notes for projects.

10 Summary of Recommendations

For the SOM Steering Committee on ECOTECH:

Recommendation 1

That SCE provide more guidance about its subject area priorities and weightings to be used in selecting projects for funding.

Recommendation 2

That the funding and evaluation process for individual projects with a low funding requirement should be streamlined to reduce the transaction costs being incurred.

Recommendation 3

That if multiyear projects are resumed the option a program approach should be included to make complementary and related projects more attractive.

For the Tourism Working Group:

Recommendation 1

That, in developing the strategic plan for 2016 – 2019 the TWG carefully assess the priorities as outlined by the APEC ECOTECH, Leaders statements and Ministerial directives and establish criteria to prioritise the actions to be undertaken in the work plan.

Recommendation 2

That TWG assess concept notes more fully at the early stages of the process with particular regard to support from proposing economies and the funding requirements to achieve an effective project.

Recommendation 3

That in the evaluation of projects for funding greater weight is given to those projects that are supported by funding from economies with an interest and commitment to the project. The goal would be to incentivise greater economy and other party commitment and investment in the projects that come forward to APEC for funding.

Recommendation 4

That TWG give highest priority to those projects that have the greatest regional application and value.

Recommendation 5

That TWG place greater emphasis on knowledge transfer of best practice and research within the APEC community as a component of projects.

Recommendation 6

That TWG explore more of a program approach to projects so that the results of each project inform the next project to increase the benefit resulting from each project.

Recommendation 7

That the TWG invite a broader range of participants to its workshops to improve the connection with the private sector and also as a means of transferring knowledge into the host economy. That the host economy consider inviting peak industry organisations and tourism academic institutions to participate at workshops held alongside TWG meetings.

Recommendation 8

That the ABAC representatives be invited to participate in relevant TWG meetings and in the development of the TWG strategic plan as a means of strengthening the conduit to the APEC business community.

Recommendation 9

That the TWG Lead Shepherd in conjunction with the Program Director restructure the TWG meeting agendas so there is a clear distinction between agenda items that are for discussion and decision, and those that are for information only.

For those action items, to circulate the papers well in advance, four weeks before the meeting to enable economies to consider their positions, consult internally and address any issues that may arise so that they are better equipped to represent their economies at the meeting.

Recommendation 10

That the Program Director take a more active approach to seeking input to key agenda items such as the development of the strategic plan and decisions and responses around projects. While there is no restriction at present on written responses being tabled by economies at meetings, the Secretariat should explicitly seek written responses from economies unable to attend.

Recommendation 11

That the TWG develop an agreed agenda of intersessional touch points between meetings to transact administrative business such as the finalisation of project proposals and concept notes seeking funding. This agenda should be agreed by members 12 months in advance and form the basis of an ongoing dialogue by working group members. It appears that there is often a rush to meet deadlines and that the meeting schedule is often not able to be aligned with the funding timetable for projects.

Recommendation 12

That in the years when there is not a Tourism Ministers meeting, the second meeting of TWG in that year be scheduled to align with another working group as a collaborative meeting or with a SOM meeting to enable greater connection across the APEC working groups.

Recommendation 13

That, prior to the Ministerial meeting every second year the TWG should commission or internally prepare a "State of APEC Tourism" report for consideration and adoption by Ministers and as a contribution to the Leaders declaration and other agenda setting processes of APEC. To achieve this, the TWG should seek the support of the APEC PSU and second seek assistance from WTTC and PATA as sources of statistical information.

Recommendation 14

That the TWG develop a standardised reporting template for economies to present their tourism information to the meeting and as a contribution to the "State of APEC Tourism" report.

Recommendation 15

That the TWG member economies consider the agenda topics of TWG and select their delegations with relevant expertise and knowledge to make a contribution to the dialogue on these topics at the meetings.

Recommendation 16

That the TWG comprehensively review the Tourism Charter and in particular the actions under the four goals, by 2016 with a view to ensuring that the TWG mandate and its strategic plan align with APEC ECOTECH priorities.

Recommendation 17

That APEC SOM take a stronger leadership and coordination position by supporting and enabling joint or back to back meetings of working groups and providing additional support to Lead Shepherds to coordinate with other working groups.

Recommendation 18

That economies developing significant projects and multi workstream projects be required to consult with other relevant working groups and report on the connections in the final project proposal that is submitted for funding.

Recommendation 19

That the TWG extend an invitation to the Tourism Unit of the OECD to be a guest at all subsequent TWG meetings and include OECD in the document distribution from the meetings.

Recommendation 20

That the TWG consult formally with OECD, PATA, WTTC and UNWTO on the development of its draft strategic plan so that it is consistent and complementary with the work of these international organisations. In particular widely circulate the proposed implementation schedule so that there is an opportunity to partner with these organisations on key projects.

Recommendation 21

That the TWG explore and support a collaborative approach with other multilateral organisations to projects, where possible that will progress the mission of the TWG.

11 Implementation Advice

The implementation of the main recommendations contained in this assessment by the TWG can be carried out within the next 12 months. With the next Ministerial and TWG meeting imminent, it is not feasible to make the changes to the agenda and related meeting processes for the next meeting. However, these processes should be able to be implemented by the first meeting of 2015.

Focussing the TWG strategic plan and the implementation schedule can be carried out in the current process of strategy development. Of particular importance will be the establishment of criteria and processes to identify the key projects to be undertaken. The review of the TWG Tourism Charter must wait until ECOTECH completes its priority setting process in 2015. After this time, TWG should immediately implement a review of the Charter and take an open consultative approach to its review.

Consultation and collaboration with other interested APEC fora is dependant on SCE taking a more active role to facilitate this process. In the meantime, active engagement with ABAC is highly desirable. There is a strong willingness of international agencies to continue to participate at TWG meetings and be involved in the development of projects and the strategic plan. If a more comprehensive timetable of connection with member economies and these agencies can be established, there will be a stronger connection and greater opportunity for collaborative work.

Appendix 1: Questionnaire for APEC TWG Members

2014 APEC Independent Assessment of the APEC Tourism Working Group

Introduction

This independent review is part of a series of reviews carried out by APEC to assess how TWG supports the goals and objectives of APEC and delivers useful results for member economies.

As the reviewer I am seeking views from your economy on a number of areas, both how TWG operates and also whether the results are of value to your economy.

In addition I am seeking ideas from your economy about how the operation and performance could be improved to meet your needs.

Questions

Economy involvement in TWG

Q1 Describe your participation in the APEC TWG over the last 5 years.

Q2 What are the main benefits for your economy of participating in the APEC TWG. Please list up to 5 other motivating reasons and rank all reasons for attending that are especially appropriate for your economy.

Q3 What are the barriers to your economy participating more in the activities of the TWG?

Q4 Please describe in one paragraph the overall impact of the TWG's work program "on the ground" in your economy over the last decade.

TWG Strategy

Q5 Are the four Charter Goals still relevant and should they continue as TWG foundations?

Q6 Do you think the TWG strategic plan is relevant to your economy?

Q7 Are you happy with your involvement in the development of the strategic plan? Are there any changes to the process of developing the strategic plan that you would like to see?

Q8 Are there ways to strengthen the TWG strategic priorities and direction for future work? Is it addressing the key issues? Does it look far enough ahead? Is it too broad? Should there be more specific projects to meet the issues facing your economy?

TWG Operation

Q9 Do you think there are ways to improve the operation of the TWG and/or the Tourism Ministers meetings? Is there anything that would be of benefit to your economy by improving the meeting processes?

Q10 Would you like to see a greater involvement of other multinational organisations and the tourism private sector with the TWG? Please suggest any specific opportunities you see for greater collaboration with these non APEC parties including the private sector, civil society, and other international organisations and how these opportunities might be put into action.

Q11 Please suggest in one paragraph ways the TWG can better take into account the APEC commitment to give gender greater consideration?

Q12 Please suggest in one paragraph ways to develop the potential synergies between the work program and issues that are being considered by TWG and other relevant APEC fora such as the transport working group, ABAC and other groups.

Q13 Please suggest in one paragraph ways for the TWG to obtain new resources for its activities.